

**STATE OF TENNESSEE**  
**PUBLIC CHAPTER NO. 381**  
**SENATE BILL NO. 2169**

**By Bunch**

Substituted for: House Bill No. 1996

By Bone, McDaniel

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, Part 26, relative to bond requirement as a condition precedent to directory listing of tobacco product manufacturers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-2602, is amended by adding the following new subsection:

(d)(1) A non-participating manufacturer that is not listed in the directory of approved tobacco manufacturers shall not be included in the directory until it has posted a bond in accordance with this subsection (d), in addition to any other requirements for inclusion in the directory contained in this chapter.

(2) The bond required by this subsection (d) shall be posted by corporate surety located within the United States in the amount of one hundred thousand dollars (\$100,000). The bond shall be written in favor of the State of Tennessee and shall be conditioned on the performance by the non-participating manufacturer of all of its duties and obligations under this chapter and the Tennessee Tobacco Manufacturers' Escrow Fund Act of 1999, compiled in Title 47, Chapter 31. The bond shall remain in effect for twenty-four (24) months from the date posted.

(3) If the non-participating manufacturer fails to perform duties and obligations on which the bond is conditioned, the state shall be authorized to execute on the bond first to recover any amounts the non-participating manufacturer failed to place into escrow as required by the Tennessee Tobacco Manufacturers' Escrow Fund Act of 1999, then to recover penalties and attorneys' fees under that act and this chapter.

SECTION 2. This act shall take effect upon becoming law, the public welfare requiring it.

**PASSED: May 26, 2009**

  
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RON RAMSEY  
SPEAKER OF THE SENATE

  
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KENT WILLIAMS, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 9th day of June 2009**

  
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PHIL BREDESEN, GOVERNOR